

# **Oregon Citizens' Utility Board**

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July 17, 2017

Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Re: Comments Regarding Restoring Internet Freedom NPRM, WC Docket 17-108

# INTRODUCTION

On May 23, 2017, less than two months prior to this comment submission on July 17, 2017, the Federal Communications Commission (FCC) released a Notice of Proposed Rulemaking (NPRM) under what the Oregon Citizens' Utility Board (CUB) views as a particularly ironic title: "Restoring Internet Freedom" (WC Docket. 17-108).

The NPRM broadly recommends a reversal of the February 2015 FCC decision to classify Broadband Internet Access Service (BIAS) as a telecommunications service under Title II of the Communications Act.<sup>1</sup>

With that reversal, the FCC would do away with what CUB argues is the appropriate and supported legal authority to enforce necessary consumer protections for customers of mobile and fixed BIAS service. CUB strongly believes that such protections are critical in an age where an increasing number of people – especially those who are most vulnerable – rely on fair, safe, and affordable Internet access to navigate the world.

CUB's approach in writing these comments is somewhat, although not entirely, different from the approach with which we generally take concerning energy or telecommunications proceedings before the Oregon Public Utility Commission (OPUC).

The key difference is that, in this case, we requested the support of our constituents. We did so by asking our supporters to "sign-on" to our comments, if in fact they agreed with the general premise that to ensure net neutrality – to safeguard a fair and open Internet – the FCC should preserve the rules enshrined by the 2015 Open Internet Order.

These are the same rules upheld by a D.C. Circuit Appeals Court in June 2016<sup>2</sup>, which, only two years earlier, instructed the FCC to reclassify BIAS under Title II<sup>3</sup>, should they ever seek to enforce *ex ante* or "bright line" rules prohibiting blocking, throttling, paid prioritization, or any other discriminatory actions from Internet Service Providers (ISPs).

 $^2\ https://www.cadc.uscourts.gov/internet/opinions.nsf/3F95E49183E6F8AF85257FD200505A3A/\%24file/15-1063-1619173.pdf$ 

<sup>&</sup>lt;sup>1</sup> https://transition.fcc.gov/Reports/1934new.pdf

https://www.cadc.uscourts.gov/internet/opinions.nsf/3AF8B4D938CDEEA685257C6000532062/\$file/11-1355-1474943.pdf

Oregon voters founded CUB in 1984 using the State's ballot initiative process to create an advocate to represent their interests as residential energy and telecommunications utility customers. In the intervening 33 years, CUB has dutifully represented the interests of residential utility customers in Oregon in a range of regulatory, judicial, and legislative settings – before the OPOC, the Oregon State Legislature, as well as the City of Portland. Since the federal government largely directs BIAS policy, CUB also weighs in when we feel it is in the best interest of our constituents, and Oregonians at large, to advocate on their behalf.

CUB has endorsed Open Internet or "net neutrality" principles for as long as we have considered the Internet an essential utility service that must benefit the public good. This advocacy coincided with positions taken by the City of Portland and Mount Hood Cable Regulatory Commission. Such positions go as far back as 1998, continue to the passage of the 2015 Order, and culminate with the passage of a July 2017 resolution affirming the City of Portland's support of an Open Internet using a common-sense Title II regulatory approach.<sup>4</sup>

Leading up to the public hearing for that resolution on July 12, 2017 – which not coincidentally overlapped with the National Day of Action to rally around the preservation of the 2015 Open Internet Order – the resolution's sponsoring Commission office invited CUB to address how reversal of the 2015 Order would affect every day consumers.

These comments, endorsed by 316 Oregon CUB constituents (see Appendix), take the same approach.

CUB takes this approach because others, particularly the National Association of State Utility Consumer Advocates (NASUCA), of which CUB is a long-standing member, articulate other pressing concerns regarding the NPRM through their comments.

These include Section III.A of the NPRM on pole attachments; Section III.B of the NPRM on copper retirement; as well as the topics of "preemption of state authority" and the "functional test for services."

CUB's primary objective through these comments is:

- I. To underscore how the world has changed in recent years;
- II. Explain why people today, especially vulnerable populations, need BIAS; and
- III. Stress fundamental Title II provisions that CUB sees as vital to the maintenance of a fair, safe, and affordable BIAS consumer experience.

# I. THE WORLD HAS CHANGED

The Internet largely came to prominence in the 1990s by utilizing an existing and vast network of copper telephone infrastructure. It is easy to forget that even into the early 2000s, with the advent of Digital Service Line (DSL) technology and line sharing requirements between phone companies and ISPs,<sup>5</sup> copper reigned supreme. However, in 2005, the FCC eliminated line sharing requirements,<sup>6</sup> and this ushered in a new age of

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<sup>4</sup> https://www.portlandoregon.gov/auditor/article/645885?

<sup>&</sup>lt;sup>5</sup> http://www.washingtonpost.com/wp-srv/pmextra/nov99/18/fcc.htm

<sup>6</sup> https://transition.fcc.gov/meetings/080505/sharing.pdf

cable infrastructure dominance by incentivizing service providers (the cable companies) to build-out and manage their own infrastructure networks.

This, unsurprisingly, led to fewer and fewer providers,<sup>7</sup> making it increasingly difficult for policy makers and regulators to determine the best way to ensure fair, safe, and affordable access to BIAS service for wanting customers – especially those in rural, low-income ("high cost") areas.

The Communications Act of 1934 first established the notion of universal service (along with the FCC itself). Prior to major reforms in 1996 (the 1996 Telecommunications Act), phone customers subsidized service for rural and low-income areas through a surcharge on long-distance fees.

Congress eventually codified the Universal Service Fund (USF) in 1997 and extended its scope to include broadband connectivity as well as programs for schools, libraries and support for rural healthcare initiatives.<sup>8</sup>

CUB believes that BIAS is an essential utility service intended for the public benefit because of its widespread ubiquity. However, ubiquity in this context does not refer to access or new infrastructure investment. Rather, it refers to rapidly accelerating technological application and innovation, demand, and overall consumption.

- For instance, Internet traffic will triple worldwide between 2014 and 2019;9 and by 2020, an additional 1 billion people and 10 billion new devices will connect to the Internet.10
- At the same time, the United States, especially since 2015 after passage of the Open Internet Order, has made serious gains to improve average connectivity speeds.
  - According to the Akamai "State of the Internet" report, during Q1 2017, the United States ranked 10<sup>th</sup> globally for average Internet connectivity at 18.7mbps.<sup>11</sup> This is a 22 percent jump from the previous year.
  - For Q1 2016, the United States ranked 16th globally for average connectivity at 15.3mbps. 12 This is a 29 percent jump from the previous year.
  - o For Q1 2015, the Unites States ranked 19th at 11.9mbps.<sup>13</sup> This is markedly smaller jump of 13 percent from the previous year.
- Notwithstanding these critical gains, 17 percent of all North Americans, 53 percent of rural North Americans, and 63 percent of North American Tribal residents are still without access to meaningful BIAS (25mbps upload/3mbps download).<sup>14</sup>

<sup>&</sup>lt;sup>7</sup> https://arstechnica.com/information-technology/2016/08/us-broadband-still-no-isp-choice-for-many-especially-at-higher-speeds/

<sup>&</sup>lt;sup>8</sup> https://www.fcc.gov/general/universal-service

 $<sup>^9 \</sup> https://www.forbes.com/sites/amitchowdhry/2015/06/02/global-fixed-broadband-speeds-to-hit-43-mbps-in-2019-says-report/\#2720 fe435 d70-line and the state of the state o$ 

<sup>10</sup> https://newsroom.cisco.com/press-release-content?type=press-release&articleId=1771211

<sup>11</sup> https://www.akamai.com/us/en/multimedia/documents/state-of-the-internet/q1-2017-state-of-the-internet-connectivity-executive-summary.pdf

 $<sup>^{12}\</sup> https://www.akamai.com/kr/ko/multimedia/documents/state-of-the-internet/akamai-state-of-the-internet-report-q1-2016.pdf$ 

 $<sup>^{15}\</sup> https://www.akamai.com/es/es/multimedia/documents/state-of-the-internet/akamai-state-of-the-internet-report-q1-2015.pdf$ 

<sup>14</sup> http://www.orinfrastructure.org/Infrastructure-Programs/Telecommunications/OBAC/Reports/BroadbandRpt2016.pdf

In CUB's view, the previous bullets underscore that:

- A. The Internet is already, and will continue to function as, a central and necessary expectation in most people's daily lives much like other essential utility services;
- B. Quality of service at least in terms of average connectivity speed experienced an uptick between Q1 2015 and Q1 2017. This suggests the key provisions of the 2015 Open Internet improved rather than impeded market conditions, <sup>15</sup> as some have suggested; and
- C. New cable infrastructure investment between the 2005 FCC line sharing decision and prior to the 2015 Open Internet Order focused primarily on high-density urban "lower-cost" areas that are disproportionally represented by higher-income people. <sup>16</sup> Title II regulated services have a universal service requirement for rural and high-cost areas that are disproportionally represented by lower-income people. However, the 2015 Open Internet Order forbore the provision requiring USF contributions from ISPs.

#### II. THE INTERNET IS A NECESSITY

The 2015 Open Internet Order codifies BIAS as a utility service for the public benefit. This grants the FCC legal authority to enforce consumer protections by labeling BIAS a telecommunications service, as opposed to an information service. Title II of the Communications Act regulates telecommunication services — whereas Title I of the Communications Act regulates information services — and so authorizes the FCC to treat ISPs like common carrier utilities. CUB strongly agrees with this approach.

The question behind the decade-long net neutrality debate is, in CUB's opinions, quite simple:

Is BIAS an essential and necessary utility service for the public benefit? That is, do Americans truly need BIAS to navigate the world in the same way they need water and sewer services or electricity? Another way to put it is: Do Americans need BIAS in the same way that they once needed access to wireline telephone, that remains to this day, despite rapid usage declines, <sup>17</sup> a Title II regulated service?

CUB believes the answer is – yes – Americans do need BIAS, and therefore Title II is the most appropriate application of federal regulatory oversight via the Communications Act (The following section offers a brief summary of key Title II provisions CUB believes are vitally important to the maintenance of a fair, safe, and affordable BIAS consumer experience.).

Former President Barack Obama, perhaps, best summarizes the critical nature of BIAS today in the August 2015 Broadband Opportunity Council Report and Recommendations:

"Access to high-speed broadband is no longer a luxury; it is a necessity for American families, businesses, and consumers. Affordable, reliable access to high-speed broadband is critical to U.S. economic growth and competitiveness. High-speed broadband enables Americans to use the

<sup>15</sup> https://www.freepress.net/press-release/108079/its-working-free-press-documents-historic-levels-investment-and-innovation-fccs

<sup>16</sup> http://www.pbs.org/newshour/rundown/six-charts-illustrate-divide-rural-urban-america/

<sup>&</sup>lt;sup>17</sup> https://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201412.pdf

Internet in new ways, expands access to health services and education, increases the productivity of businesses, and drives innovation throughout the digital ecosystem."<sup>18</sup>

One of the more illustrative scenarios in defense of net neutrality is the rural, low-income student who needs home BIAS to complete homework. This is example resonates because without fair, safe, and affordable access to BIAS, that student is at an inescapable and perhaps lifelong disadvantage from lost educational and economic mobility opportunities<sup>19</sup>.

CUB believes that a student in Burns, Oregon is entitled to the same speed and access to content as the wealthier family in Salem or the corporate CEO in a downtown Portland high rise. (Burns is an extremely rural Southeastern Oregon town; Salem is a mid-sized city in the Willamette Valley; and Portland is Oregon's largest city.)

However, without clear and decisive rules protecting net neutrality<sup>20</sup> – rules that push ISPs to invest in new BIAS deployment in historically underserved areas – CUB fears an increase in digital redlining.<sup>21</sup>

A different example highlights why the most vulnerable truly need safe, reliable, and affordable BIAS.

Someone finding him/herself homebound – for any reason and for any length of time – especially needs BIAS in the same way he/she needs other utilities like water or electricity. In this scenario, the Internet is, perhaps, the individual's only connection to the outside world. It is his/her primary vehicle to connect with friends and family. It is his/her primary entertainment outlet. It is more than likely his/her way to receive essential medical services – whether scheduling appointments, reviewing lab results, or even receiving the actual care via home visit or a web-portal. The internet may also be his/her best means to order food or get extra help around the house. If this person is already employed, it is the only way to keep that job by working remotely. If he/she is unemployed, it is the only option to look for and apply to new jobs.

The Internet, in this scenario, is the foundation of this person's health and safety, general wellbeing, and ability to participate in society in a meaningful way. If fair, safe, and affordable access to BIAS can make or break someone's livelihood, reasonable protections to preserve net neutrality like those enshrined in the 2015 Open Internet Order must continue now and into the future.

# III. FUNDAMENTAL TITLE II PROVISIONS

**Section 201**<sup>22</sup> – Section 201 requires that common carrier ISPs take every measure and precaution to ensure "just and reasonable" "charges, practices, practices, and regulations." Not doing so is considered unlawful.

This, in effect, is the underlying legal and ideological principle behind the FCC's broader assurance of a fair, safe, and affordable BIAS consumer experience under the 2015 Open Internet Order. If the FCC reclassified BIAS as a Title I information service, it is unclear to CUB how, or if at all, any consumer could reasonably expect ISPs to self-impose policies forbidding the imposition of *ex ante* rules.

<sup>18</sup> https://www.ntia.doc.gov/files/ntia/publications/broadband\_opportunity\_council\_report\_final.pdf

<sup>19</sup> https://www.theatlantic.com/education/archive/2014/12/what-happens-when-kids-dont-have-internet-at-home/383680/

<sup>&</sup>lt;sup>20</sup> http://greenlining.org/wp-content/uploads/2013/02/GLIonNetNeutrality.pdf

 $<sup>^{21}\</sup> http://greenlining.org/issues/2015/fcc-net-neutrality-decision-win-communities-color/$ 

<sup>&</sup>lt;sup>22</sup> https://www.law.cornell.edu/uscode/text/47/201

**Section 202**<sup>23</sup> – Section 202 specifies the illegality of common carrier ISPs engaging in "unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities or services". The section also highlights that service providers cannot give preference or undue advantage to "any particular person, class of persons, or locality".

Parallel to Section 201, CUB sees these provisions as fundamental elements to any policy or set of policies designed with the goal of consumer protection. Some have suggested that the Federal Trade Commission (FTC) could act in the absence of FCC Title II regulatory oversight. It is unclear to CUB how, or if at all, the FTC can ensure non-discriminatory practices on the part of ISPs.

**Section 207**<sup>24</sup> – Section 207 says that that a person "claiming to be damaged" by a common carrier ISP "can make a complaint to the [FCC]...or bring suit for the recovery of the damages."

After passage of the 2015 Open Internet Order, the FCC created the "Consumer Complaint Center." If the FCC reclassified BIAS as a Title I information service, it is unclear to CUB how, or if at all, BIAS customers would have "just and reasonable" recourse against an ISP that engages in discriminatory practices.

Section 254<sup>26</sup> – Section 254 defines the provisions of the USF. In that the USF applies to broadband networks, it plays an ever-important role in driving access to advanced services across the U.S. while ensuring that rates are "just, reasonable, and affordable."

Moreover, the enhanced applicability of USF to broadband networks facilitated a technologically relevant update to the federal Lifeline program. Eligible telecommunication carriers, as well as BIAS-only providers, now offer a monthly subsidy (currently \$9.25) to low-income household Lifeline enrollees.

If the FCC reclassified BIAS as a Title I information service, it is unclear to CUB how, or if at all, this recent and needed reform would continue. The state of Oregon offers an additional \$3.50 per month for Lifeline participants via an OPUC-administered Residential Service Protection Fund.

CUB and the OPUC plan to update the fund through State legislative action in 2018 to accommodate BIAS customers. This would offer low-income participants a monthly subsidy of \$12.75. CUB is deeply concerned about the potential conflict between State and federal Lifeline policy.

**Section 255**<sup>27</sup> – Section 255 requires that service providers ensure accessibility for people with disabilities where broadband services are "readily achievable. If such access to service is not readily achievable, then providers must ensure compatibility with the "devices and premises equipment that are commonly used by people with disabilities."

If the FCC reclassified BIAS as Title I information service, it is unclear to CUB how, or if at all, people with disabilities would enjoy the same legal protections as those without disabilities. Considering already low BIAS

<sup>&</sup>lt;sup>23</sup> https://www.law.cornell.edu/uscode/text/47/202

<sup>&</sup>lt;sup>24</sup> https://www.law.cornell.edu/uscode/text/47/207

<sup>&</sup>lt;sup>25</sup> https://consumercomplaints.fcc.gov/hc/en-us

<sup>&</sup>lt;sup>26</sup> https://www.law.cornell.edu/uscode/text/47/254

<sup>&</sup>lt;sup>27</sup> https://www.fcc.gov/consumers/guides/telecommunications-access-people-disabilities

adoption rates among people with disabilities<sup>28</sup>, this potential reclassification would be discriminatory and entirely unacceptable.

Service Transparency Reform<sup>29</sup> – Reclassifying BIAS under Title II of the Communications act allowed the 2015 Open Internet Order to broaden the FCC's outdated service transparency rules to require ISPs to clearly disclose the detailed aspects of consumers' service agreements – including hidden fees (such as modem rental and installation), data caps, speed, latency, and "packet loss." To establish necessary uniformity across service providers, the FCC developed a simplified and easily understandable reporting template similar to nutrition labeling.<sup>30</sup> If the FCC reclassified BIAS as a Title I information service, it is unclear to CUB how, or if at all, the service transparency reforms established under the 2015 Order would continue.

## **CONCLUSION**

In closing, as a consumer advocate, CUB finds it alarming that the current FCC majority plans to reverse the 2015 Open Internet Order and the vital consumer protections that it enshrines. CUB believes that such a reversal will harm Oregon BIAS customers – namely those in rural, low-income, and "high-cost" areas – and inappropriately change the foundational promise of a fair, safe, and affordable Internet experience.

Respectfully,

Samuel Pastrick Consumer Advocate and Membership Manager Oregon Citizens' Utility Board

 $<sup>^{28}\</sup> https://www.uschamber.com/sites/default/files/legacy/about/US\_Chamber\_Paper\_on\_Broadband\_and\_People\_with\_Disabilities\_0.pdf$ 

<sup>&</sup>lt;sup>29</sup> https://www.fcc.gov/consumers/guides/open-internet-transparency-rule

 $<sup>^{30}\</sup> https://www.fcc.gov/consumers/guides/consumer-labels-broadband-services$ 

# APPENDIX - COMMENT SIGNATORIES

Abbott Nella
Adm Vince
Aftergut Judith
Albert Anthony
Alexander Vince O
Allee Pennelloppe

Alpert Laura Alstad Linda Andersen Josh Anderson Bruce Anderson Jamie Anthony Hal Anton Valerie Keels Bailey Baraso Sam Bargen Jan Bartels John Baruch Duncan Basin Ben Beatley C Beilstein Mike Bender Tom Bennett Henry Bent Rebecca Helge Berg Bevirt Ron Bevirt Alida Bieber Judy Black Elizabetg Blasche Karen Bleckinger Dana Kathleen Blevins Blumthal John

Virginia L. Bock Bottleman Leonard Jean Boynton Branham Barbara Brignell Kelly Brinster Michael Brozik Barbara Brunkow James

Buist Sonia Linda Bumpas Trish Bunyard Sharon Burge Janet Campbell Campbell Alexandra Campbell Steve Carlson Kenneth Carson Ronald Cartwight Ian Casey Sigrid Caudill Ron Chaichi Farrah Charlson Jerry Charlson Jerry Cherry Thomas Clark Rebecca Cleary Edward Cloyd James Collins Margaret Conover Nancy Cook Clifford Coons James Cooper Steve Corbett Scott Corbett Clivonne Laurie Cosgriff Crocker Ramona Crockett Scott Cummings George Cushwa Nancy Davis Mary de Garmo Patricia Michael De Paepe DeBruler Chris Deutscher Kurt Dixon Frank Dragoon Ken Drew Susan Durst Thomas Duvall Lois Eames Andrew Earle Ben

Eckel Carolyn Ege Nancy Einbender Deborah Emerick Craig Ensign Dianne Piotr Esden-Tempski Esden-Tempski Danika Barbara Fankell Gordon Feighner Fisher Cheryl Fladger Robert Ford Lynn Freeberg Jim Fujii Grant Russ Germick Theresa Gibney Gillis Otis Gillis Edith Goldman David Green Joyce Greenberg Lawrence Greenlee Frances Gross Barbara Hand Peter

Harden Trenton Scott

Hardman David Harrison Randy David Hartmann Haselton Tren Melissa Hathaway David Hayward Haywood Susan Hegg Nancy Heidtmann Denis Hellums Donna Henderson David Herbert Emily Hermanns David Herndon Brian Herz William S Margaret Heydon Hinds Elizabeth Holcomb Eric

Holford Sharon Kathleen Holloway Howard Celeste Huffman-Kerr Ross Hull Lise Hunter Lois Hutchison Perry Ingman Fred Daniel Jaynes Jenkins Jacqueline Jensen Cindy Jess Terry Johnson Joan Richard Johnson Sandra Joos Michelle Jordan Brenda Jose Kahle Lynn Kalita Brad David Kay Keeton Hank Kelley Dorinda Keyes JL David Keyes Rebecca Kimsey David King Randall Koch Kovacs Agnes Kramer Mark Kush Lynn Kwiatkowski Stefan Steve Lacey Lamb Amelia Lammers Wayne LaMorticella Barbara Landes Jonathan Langford Charles Larson Lyle Lee Christopher

Lee Christopho
Lee Deborah
Lindsey Rosie
Lipanovich Eric
Lippmann Rebecca

Locklear Clyde Alan Lorenz Gerald Andrew Lunding Lydon Pat Carolyn Madson Mallery Fred Maloney Charlotte Laurie Mapes Jeff Mapes Marburger Craig Marenco Marybeth Marple **Jeanne** Marquez Katherine Michael Martin Maruki-Fox Setsuko Mason Cherri Matthews CJMatthews Carolyn Edward May McClure Marianne McCredie Cameron McFarland Megan McGavin Linda McGovern Donlon McMahon Joshua McPhee Marion Mcvey Keshmira Elizabeth Medley Meier Linda Merrick Don Miller Caroline Mintkeski Walt Miranda Mark Mitchell Mary Lou Mitchell Anne Mitchell Bonnie Monie Sherry Morrison Robert Morrison-Cohen Deborah Mueller-Crispin Deanna Murphy John Nettleton John Neuendorf Mary

Neva Peter Newell Derrek Nichols David Nolley Janet Norman Phillip Ohara Gail O'Neal Maureen Deanna Owen Painter David Pape Jonathan Parker Barbara Patton Charles Richard Payne Peck Joyce Phillips Laura Pierce Ginger Pietrowski-Ciullo Evelyn Pinkerton Mark Porach Curtis Powell Richard Prather David Proctor Wayne Quinton Emily Radcliffe Steve Rankin Jim David Regan Rehn Debra Reid Patrick Reynolds Phyllis Ridenour Judy Riley Becky Risher Wesley Ritenbaugh Cheryl Rives-Denight Susan Rose Janice Rubin Brady Runkel Karen Salvo Wayne Saufley Ted Saul Robert Pancho Savery Saxon Diana Schachtili Lora

Schumann John Scott Barbie Scotto di Carlo Katrina Searight Kent Paul Seer Setniker Marcy Shelby BC Shelley Ian

Shotzbarger Kathryn Linda Lee Showerman Shusterman Alexis Shusterman Alan Sigler Dean Sitzman Jim Smith Denise Smith Larry Smith Alan Soiffer Neil Solan Michael Spradlin Mary Springer Karen Stanik Valerie Starr Kayla Stoner Marc Strooband Michael

Stufflebeam I

Stutzman Deanna Sullivan BJ Tatom Jeff

Taylor Nannette Taylor Beth Thelander Donna Thompson Sandy Thompson Susan Thoren John Thrasher Robert Todd Laurie Tomassi Linda Tron Richard Troxel Barbara Turco Adam Vajda Debby Van Deusen Charles

Vander Zanden Carl Vaughan Steven Von Hippel Peter Von Hippel Josephine Scott Wagner Wakefield Marie Wall Mary Ward Benjamin Webb Randall Weiss Steve West Kenneth Whiting Charlene Williams Beverly Williams Mitch Wisbrock Dolores Wisbrock Rollie Yows Jeanine